

**CITY OF GARDEN GROVE**  
**INTER-DEPARTMENT MEMORANDUM**  
***Garden Grove Agency for Community Development***

To: Matthew Fertal  
From: Economic Development  
Dept: City Manager/Director  
Subject: ADOPTION OF AMENDMENTS TO THE AGENCY'S ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
Date: January 17, 2012

OBJECTIVE

The purpose of this report is to request that the Garden Grove Agency for Community Development ("Agency") consider a resolution amending the Enforceable Obligation Payment Schedule ("EOPS") pursuant to Section 34169(g) of the Health & Safety Code and the Initial Recognized Obligation Payment Schedule ("IROPS") pursuant to Section 34169(h) of the Health & Safety Code.

BACKGROUND/DISCUSSION

On December 29, 2011, the California Supreme Court upheld AB X1 26, which dissolves all of the redevelopment agencies in California, and invalidated AB X1 27, which would have allowed redevelopment agencies to remain in existence if the agency opted in to the "Voluntary Alternative Redevelopment Program" created by AB X1 27 ("Program").

On August 23, 2011, pursuant to Health & Safety Code Section 34169(g), the Agency adopted Resolution No. 705 approving the Agency's Enforceable Obligation Schedule. The EOPS is a comprehensive list of all of the Agency's obligations for which tax increment revenue would be allocated to pay in the event of redevelopment dissolution.

Additionally, on September 13, 2011, pursuant to Health & Safety Code Section 34169(h), the Agency adopted Resolution No. 706 approving an Initial Recognized Obligation Payment Schedule (IROPS) and transmitting the schedule to the City. The IROPS also lists all of the Agency's enforceable obligations to which tax increment revenue would be allocated and describes the sources for all payments to be made by the successor agency for the applicable six month period.

The EOPS and IROPS adopted in August and September 2011 should now be updated to include payments required to be made in January through June, 2012, and to include certain enforceable obligations that were inadvertently omitted from

the original EOPS and IROPS. Pursuant to Health and Safety Code Section 34169(g), the Agency can amend the EOPS from time to time at any public meeting of the Agency. Due to the stay issued by the California Supreme Court when it agreed to consider the constitutionality of AB X1 26 and AB X1 27 in *California Redevelopment Association, et al., v. Matosantos* ("Matosantos"), and the Court's opinion, which extended certain deadlines in AB X1 26 by four months, it is now also necessary and appropriate to amend the IROPS to provide for payments required to be made on enforceable obligations from January through June, 2012.

Although the League of California Cities and the California Redevelopment Agency are working to secure an extension to the February 1, 2012, date provided in the *Matosantos* decision for the dissolution of all redevelopment agencies (and ultimately to revive redevelopment in the state), Agency staff is working towards having all AB X1 26 requirements met by the February 1, 2012, deadline currently set forth in the *Matosantos* decision.

The attached Agency resolution adopts an amendment to the Enforceable Obligation Schedule and an amendment to the Initial Recognized Obligation Payment Schedule.

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends that:

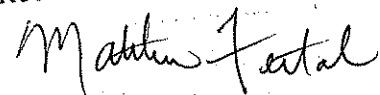
- The Agency adopt the attached resolution amending the Enforceable Obligation Payment Schedule and the Initial Recognized Obligation Payment Schedule and transmitting the Initial Recognized Obligation Payment Schedule to the City, as successor agency; and
- The City Council, acting as successor agency to the Agency, by minute order, accept transmittal of the amended Initial Recognized Obligation Payment Schedule from the Agency.



JIM DELLALONGA  
Sr. Project Manager/Dept. Administrative Officer

Attachment 1: Agency Resolution  
Attachment 2: Amended EOPS  
Attachment 3: Amended IROPS

Recommended for Approval



Matthew Fertal  
Director

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
AMENDING THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND THE  
INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND TRANSMITTING THE  
INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO THE CITY, ACTING AS  
SUCCESSOR AGENCY

WHEREAS, the Garden Grove Agency for Community Development ("Agency") was formed to execute and implement the Redevelopment Plans for the Garden Grove Community Project and the Buena Clinton Project, pursuant to the provisions of the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq. ("CRL");

WHEREAS, on December 29, 2011, in California Redevelopment Association v. Matosantos, Case No. S194861, the California Supreme Court upheld AB X1 26, which dissolves all of the redevelopment agencies in California, and invalidated AB X1 27, which would have allowed redevelopment agencies to remain in existence if they opted into the "Voluntary Alternative Redevelopment Program" ("Program");

WHEREAS, by Resolution No. 705 adopted on August 23, 2011, the Agency adopted an Enforceable Obligation Payment Schedule ("EOPS") pursuant to CRL Section 34169(g), added by AB X1 26;

WHEREAS, by Resolution No. 706 adopted on September 13, 2011, the Agency adopted an Initial Recognized Obligation Payment Schedule ("IROPS") pursuant to CRL Section 34169(h), added by AB X1 26, and submitted such IROPS to the City, as successor agency; and

WHEREAS, the Agency now desires to amend the EOPS and the IROPS and to transmit the amended IROPS to the City, as successor agency.

NOW, THEREFORE, BE IT RESOLVED BY THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Agency.

Section 2. Pursuant to CRL Section 34169, subdivisions (g) and (h), enacted by AB X1 26, the Agency hereby adopts the amended EOPS submitted herewith as Attachment 2 and the amended IROPS submitted herewith as Attachment 3, which schedules are incorporated herein by this reference.

Section 3. The Agency hereby transmits the amended IROPS submitted herewith as Attachment 3, to the City, acting as successor agency to the Agency pursuant to AB X1 26.

Section 4. The Agency Director is hereby authorized and directed to post the EOPS on the City/Agency website pursuant to CRL Section 34169(g)(2) and to notify the County Auditor Controller, the State Department of Finance, and the State Controller's Office concerning this Resolution, the amended EOPS, and its online publication.

Section 5. The Agency Secretary shall certify to the adoption of this Resolution.

ATTACHMENT 2

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

ATTACHMENT 3

AMENDED INITIAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE